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FISCAL IMPACT REPORT

ORIGINAL DATE 2/4/08

SPONSOR Madalena LAST UPDATED _____ HB 272

SHORT TITLE Native American Economic Development SB _____

ANALYST Cox

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$100.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Indian Affairs – IAD

Economic Development Department - EDD

SUMMARY

Synopsis of Bill

House Bill 272 appropriates one hundred thousand dollars (\$100,000) from the General Fund to the Indian Affairs Department for the purpose of increasing Native American economic development activities

FISCAL IMPLICATIONS

The appropriation of one hundred thousand dollars (\$100,000) contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2009 shall revert to the General Fund.

SIGNIFICANT ISSUES

IAD notes:

HB 272 could support an initiative led by the New Mexico Economic Development Department (“NMEDD”) and the American Indian Chamber of Commerce of New Mexico (“AICCNM”). Together, these entities are working to implement a number of economic development projects in tribal communities pursuant to the tribal consultation pilot plan as submitted to Governor Bill

Richardson by the NMEDD. Specifically, the funding would support AICCNM and NMEDD's Native American economic development activities and increase access to development programs and services for Native Americans.

Additionally, NMEDD and AICCNM's initiative includes the hosting of a tribal economic development summit in New Mexico and, among others issues, a comprehensive assessment of tribal infrastructure and economic development needs of the twenty-two Indian Tribes, Nations and Pueblos in New Mexico.

According the 2000 Census, there are more than 197,300 Native owned businesses employing nearly 300,000 people across the country. In New Mexico, there are over 6,800 Native American owned businesses. The economic benefits to the State of contributions made by Native American businesses are enormous. On average, Native owned businesses in the State bring in nearly \$300,000,000 annually

But, according to Native American business owner and chairman of the American Indian Chamber of Commerce of New Mexico, David Melton, "New Mexico tribes struggle with diversifying and developing their economies...because there is a lack of business sites on Indian reservations."

It should be noted that the average unemployment rate for Native Americans is 22% for non-gaming tribes and 15% for gaming tribes in the United States.

ADMINISTRATIVE IMPLICATIONS

Funds would be administered by the New Mexico Economic Development Department (NMEDD).

PRC/mt